

February 6, 2004

Mr. Jeff Jarrett, Director
United States Department of Interior
Office of Surface Mining
Washington, DC 20240

Dear Mr. Jarrett:

I have learned via media reports, third parties and an Office of Surface Mining press release, that there are new proposals for the re-authorization of the Abandoned Mine Land (AML) Fund.

Initially, I would note that this office has not been involved, directly or indirectly, with formulating these proposals. As the state contributing by far the largest share of AML funds, I am hard pressed to understand why we have been excluded from basic considerations in formulating AML policy.

Substantively, we are concerned with a number of the essential portions of the proposal. First, we are struck that the repayment of funds already due Wyoming will be extended over a ten year period, returned to us only with strings attached, and with no considerations given for the significant amount of interest Wyoming will forego during the repayment period. Making these future repayment contingent on the future budgetary whims of Congress is even more disconcerting, as there is then no guarantee Wyoming will be made whole.

We are discouraged that you would exclude Wyoming from participating in any future fee collections. Your goal to reconcile the historical changes in the proportion of coal production between eastern and western states may be noble, but I believe it ignores the unfair nature of the fee structure itself. Failure to address this fundamental disconnect continues and exacerbates the issue of western coal producing states bearing an unfair burden.

After your visit last year and subsequent phone conversations, it was my understanding that there was ample room for your agency and our state to arrive at potential solutions. At your suggestion, efforts by Wyoming were undertaken to reach out to those eastern states having a significant stake in reauthorization with the goal of reaching a consensus on reauthorization. It

Mr Jeff Jarrett
US Dept of Interior
Office of Surface Mining

-2-

February 6, 2004

strikes me as disingenuous that the federal government did not take its own advice, instead apparently working forward only with Pennsylvania. While we recognize that many reclamation issues remain in these eastern states - have indicated a willingness to find agreeable compromises that meet the needs of all stakeholders - there was no further attempt on your part to consult with us.

Despite the frustration felt at this moment, Wyoming remains willing to work on the re-authorization with you and our fellow states. We certainly recognize the needs of the Combined Benefits Funds, the desire to channel more funds to historic coal production states, and the need to provide fee relief to industry. However, Wyoming's needs, concerns and interests must not be unilaterally sacrificed. To cut Wyoming entirely out of sharing in future collections, delay the repayment of funds and limit our ability to address our needs makes it impossible to meet our requirements, and is fundamentally unfair. I urge you to rethink the proposal made by the administration.

Best regards,

John Masterson
Legal Counsel to the Governor

JM:jlm

PC: The Honorable Michael Enzi
The Honorable Craig Thomas
The Honorable Barbara Cubin